MONTANA LEGISLATIVE HISTORY

Chapter 304 1983

Bill H _____ S 210 Original bill & history ____C

H. Committee on Labor + Employment Relations			S. Committee on Labor + Employment Relations		
Hearing Date(s)	Mar 08	✓ C	Hearing Date(s)	Feb 01	✓ C
	Mar 12	✓ C		Feb 10	✓ C
	_____	____C		_____	____C
	_____	____C		_____	____C
Date Out	Mar 12	✓ C		Feb 10	✓ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

2ND READING: 03/22/83, BE CONCURRED IN AYES: 73; NAYS: 1
3RD READING: 03/23/83, BE CONCURRED IN AYES; 91; NAYS: 3

RETURNED TO SENATE: 3/23/83

TRANSMITTED TO GOVERNOR: 03/30/83
SIGNED: 4/2/83, CHAPTER 324

SB 209 -- DOVER, SCHULTZ -- TO PROVIDE CRITERIA FOR ADMISSIONS TO THE MONTANA CENTER FOR THE AGED; REVISING THE TRANSFER AND DISCHARGE PROCEDURE ....
BY REQUEST OF: THE DEPARTMENT OF INSTITUTIONS

INTRODUCED: 01/19/83
REFERRED TO COMMITTEE ON PUBLIC HEALTH, WELFARE, & SAFETY: 01/19/83
HEARING: 2/2/83
REPORT: 02/03/83, DO PASS, AS AMENDED
2ND READING: 02/07/83 AYES: 50; NAYS: 0
3RD READING: 02/09/83 AYES: 49; NAYS: 0

TRANSMITTED TO HOUSE: 2/9/83
REFERRED TO COMMITTEE ON HUMAN SERVICES: 02/10/83
HEARING: 3/11/83
REPORT: 03/11/83, BE CONCURRED IN
2ND READING: 03/12/83, BE CONCURRED IN AYES: 86; NAYS: 0
3RD READING: 03/14/83, BE CONCURRED IN AYES: 98; NAYS: 1

RETURNED TO SENATE: 3/14/83

TRANSMITTED TO GOVERNOR: 03/21/83
SIGNED: 3/25/83, CHAPTER 231

SB 210 -- DOVER, HAMMOND, SCHULTZ, ET AL. -- AUTHORIZING THE UNEMPLOYMENT INSURANCE DIVISION TO USE A PORTION OF CONTRIBUTIONS FROM EMPLOYERS FOR CERTAIN ADMINISTRATIVE PURPOSES; AND PROVIDING AN EFFECTIVE DATE.
BY REQUEST OF: THE DEPARTMENT OF LABOR AND INDUSTRY

INTRODUCED: 01/19/83
REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS: 01/19/83
HEARING: 2/1/83
REPORT: 02/10/83, DO PASS, AS AMENDED
2ND READING: 02/14/83 AYES: 50; NAYS: 0
3RD READING: 2/16/83 AYES: 50; NAYS: 0

TRANSMITTED TO HOUSE: 2/16/83
REFERRED TO COMMITTEE ON LABOR & EMPLOYMENT RELATIONS: 03/01/83
HEARING: 3/8/83
REPORT: 03/17/83, BE CONCURRED IN
2ND READING: 03/21/83, BE CONCURRED IN AYES: 91; NAYS: 3
3RD READING: 03/22/83, BE CONCURRED IN AYES: 83; NAYS: 10

RETURNED TO SENATE: 3/22/83

TRANSMITTED TO GOVERNOR: 03/28/83
SIGNED: 03/31/83, CHAPTER 304

SB 211 -- FULLER, DAVE BROWN, CHRISTIAENS -- PROVIDING ADEQUATE FUNDING FOR THE MONTANA HIGHWAY PATROLMEN'S RETIREMENT SYSTEM BY INCREASING THE STATE'S CONTRIBUTION

SENATE BILL NO. 210

INTRODUCED BY DOVER, H. HAMMOND, SCHULTZ, MOHAR, BERG, BLAYLOCK, FABREGA, FULLER, DOZIER, HARPER, LYNCH, GAGE, HAFFEY, SHONTZ, HART

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

IN THE SENATE

January 19, 1983	Introduced and referred to Committee on Labor and Employment Relations.
January 22, 1983	Fiscal Note requested.
January 25, 1983	Fiscal Note returned.
February 10, 1983	Committee recommend bill do pass as amended. Report adopted.
February 11, 1983	Bill printed and placed on members' desks.
February 14, 1983	Second reading, do pass.
February 15, 1983	Correctly engrossed.
February 16, 1983	Third reading, passed. Ayes, 50; Noes, 0. Transmitted to House.

IN THE HOUSE

March 1, 1983	Introduced and referred to Committee on Labor and Employment Relations.
March 17, 1983	Committee recommend bill be concurred in. Report adopted.
March 21, 1983	Second reading, concurred in.
March 22, 1983	Third reading, concurred in.

IN THE SENATE

March 23, 1983

Returned to Senate. Sent to enrolling.

Reported correctly enrolled.

BILL NO. 210

INTRODUCED BY Devlin, Hammond, Mohar, Berg, Blaylock, Fuller, Doz, Hart, Haffey, Harper, Lynch

BY REQUEST OF THE DEPARTMENT OF LABOR AND INDUSTRY

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE UNEMPLOYMENT INSURANCE DIVISION TO USE A PORTION OF CONTRIBUTIONS FROM EMPLOYERS FOR CERTAIN ADMINISTRATIVE PURPOSES; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Contributions for certain administrative purposes. Beginning with the third quarter of 1983, .2% of employer contributions received by the department and .1% of total wages paid by employers not covered by an experience rating may be used by the department for administrative purposes. All such contributions must be deposited in the unemployment insurance administration account provided for in 39-51-406 and used as appropriated by the legislature. Any contributions deposited to the unemployment insurance administration account that are not appropriated by the legislature must be transferred to the unemployment trust fund account provided for in 39-51-402.

Section 2. Codification instruction. Section 1 is intended to be codified as an integral part of Title 39, chapter 51, and the provisions of Title 39, chapter 51, apply to section 1.

Section 3. Effective date. This act is effective July 1, 1983.

-End-

LC 0348/01

INTRODUCED BILL

SB 210

STATE OF MONTANA

REQUEST NO. 178-83

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, , 19 83 , there is hereby submitted a Fiscal Note for Senate Bill 210 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 210 authorizes the Unemployment Insurance Division to use .2% of experience-rat employer contributions and .1% of total wages paid by employers not covered by experience rating, for purposes of funding Job Service Offices.

ASSUMPTIONS:

1) Three quarters of collection activity in FY84 (collections to be made beginning 10/83 for contributions on July - September 83 wages) and 4 quarters in FY85.
2) Taxable wages for experience rated employers projected at $1.826B in FY84 and $1.9B in FY85.
3) Total wages for other (non-experienced rated) employers is projected at $670.28M in FY84 and $1,013.36M in FY85.
4) Assume maximum expenditures to be used for administrative purposes and balance to revert to trust fund for benfits.

FISCAL IMPACT:	FY84	FY85
Revenue:		
Experience rated contributions	$2,639,000	$3,800,000
Non-experience rated contributions	670,280	1,013,360
Total	$3,309,280	$4,813,360
Projected Expenditures	1,469,962	3,071,042
Difference (to revert to trust fund)	1,839,318	1,742,318

FISCAL NOTE 6:0/1

David M Lewis

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: 1-25-83

James Murry, representing Montana State AFL-CIO, stated they support Senate Bill 210. Mr. Murry's printed testimony is attached. (Exhibit No. 4)

Glen Drake, representing Montana Public Employees Association, stated they support Senate Bill 210.

George Allen, representing Montana Retail Association, stated they are in support of Senate Bill 210.

Howard Rosenleaf from Anaconda, Montana, representing the Montana State Council of Carpenters Local 88, Anaconda, Montana, stated they are in support of Senate Bill 210. Mr. Rosenleaf's printed testimony is attached. (Exhibit No. 5)

Jerry Overmier, representing First Bank in Helena, stated they support Senate Bill 210. Mr. Overmier's printed testimony is attached. (Exhibit No. 6)

Pat McKitrick, representing Teamsters Joint Council No. 2, urged a cautionary approach to the bill. The bill should only be a stop gap, not the beginning of many similar bills in the future.

Carl Knutson, representing the Brotherhood of Maintenance of Way Employees, stated they are in support of Senate Bill 210.

James T. Mular from Butte, representing the Brotherhood of Railway Clerks, stated they support Senate Bill 210. He stated that the Job Service units in Montana are already too far apart for the rural areas.

Celinda Lake, representing Women's Lobbyist Fund, stated they are in support of Senate Bill 210. C. Lake's printed testimony is attached. (Exhibit No. 7)

Senator John Mohar, representing Senate District No. 11, Libby, Montana, stated they are in support of Senate Bill No. 210.

Harold Kansier, representing the Department of Labor, stated they support Senate Bill 210. Mr. Kansier distributed a Summary of Claims Reported by Local Offices - U.I. This summary is attached. (Exhibit No. 8)

Eileen Robbins, representing the Montana Nurses Association, stated they support Senate Bill 210.

Morris Gullickson, representing United Transportation Union, stated they support Senate Bill 210.

OPPONENTS OF SENATE BILL NO. 210:

Senator Thomas Keating, representing Senate District No. 32, Billings, Montana, stated that many of the people in his district are not in favor of the bill.

Chad Smith, representing Unemployment Compensation Advisors, Inc., stated that Senate Bill 210 should be amended to correct the first sentence in the bill because of ambiguity. The .1% provided is an additional tax on non-experience rated employers even though the title of the bill speaks only of a portion of contributions from employers. The .1% is not "of total wages paid by employers" but is a tax equal to .1% of total wages paid. The language seems to say that the .1% comes from the employee wages.

QUESTIONS FROM THE COMMITTEE ON SENATE BILL NO. 210:

Senator Goodover: Has it ever been considered to have a users' fee for the Job Service? Why make it a burden on the employer?

Dave Hunter: There is a specific federal statute that will not allow them to charge a fee for the federal Job Service.

Senator Blaylock: What about Mr. Smith's objection?

Dave Hunter: They had felt it was clear as written.

Senator Keating: What is a specific rating?

Dave Hunter: There are two systems in dealing with employees. Mr. Hunter proceeded to explain the systems to the Committee.

There was discussion on trust fund monies.

Chairman Aklestad called the hearing closed on Senate Bill No. 210.

CONSIDERATION OF SENATE BILL NO. 213:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 213, to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 9)

Senate Bill No. 213 is an act to round unemployment compensation amounts to the nearest lower full dollar amount; and to remove the requirement that the Department of Labor and Industry publish an annual Unemployment Compensation Benefit Schedule.

PROPONENTS OF SENATE BILL NO. 213:

Dave Hunter, representing the Department of Labor, stated that the choice is a financial one. If we enact this bill, the savings are significant.

ROLL CALL

LABOR COMMITTEE

48th LEGISLATIVE SESSION -- 1983 Date 2/1/83

NAME	PRESENT	ABSENT	EXCUSED
TOM KEATING, VICE-CHAIRMAN	✓		
JACK GALT	✓		
PAT GOODOVER	✓		
DELWYN GAGE	✓		
CHET BLAYLOCK	✓		
JOHN LYNCH	✓		
DICK MANNING	✓		
GARY AKLESTAD, CHAIRMAN	✓		

DATE Feb. 1, 1983

COMMITTEE ON Labor & Employment Relations

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Oppose
Joe Roseman	Teamsters	213		X
Joe Roseman	"	215		X
Joe Roseman	"	273		X
R.S. Hollingsworth	Teamsters	213		✓
		215		✓
		273		✓
[illegible]	MEA	210	✓	
[illegible]	Council Teamsters Rep	213, 215, 273		✓
[illegible]	Laborers Local 254	213 215-273		✓
		210	✓	
H.J. Mincks	Montana School Boards Assn			
Howard Hoven	Mont State Council of Carp	210	✓	
Bill Lockwood	Carpenters Local 1533	210	✓	
Peggy Beltrone	MTN NEWS	210		
[illegible]	Board of Labor Appeals	210	✓	
Harold Hanser	Dept of Labor	210	✓	
Peggy E Allen	Montana Retail Assn.	210	✓	
Celinda Lake	Women's Lobbyist Fund	210	✓	
GARY CURTIS	Dept of LABOR	210	✓	
Stacey Flaherty	Women's Lobbyist Fund	273		✓
[illegible]	SD #11	210	✓	
[illegible]	BMWE	210	✓	
M. Hellickson	United Transportation Union	210	✓	
Eileen Robbins	MONTANA NURSES' ASSOC	215		✓
[illegible]	Mountain Bell	210	✓	
[illegible]	BRO Rwy Clerks	210	✓	

(Please leave prepared statement with Secretary)

Exhibit 1
February 1, 1983

SENATOR HAROLD L. DOVER

SENATE BILL 210

By request of the Department of Labor and Industry

AN ACT AUTHORIZING THE UNEMPLOYMENT INSURANCE DIVISION TO USE A PORTION OF CONTRIBUTIONS FROM EMPLOYERS FOR CERTAIN ADMINISTRATIVE PURPOSES; AND PROVIDING AN EFFECTIVE DATE.

I am carrying Senate Bill 210 because it is very necessary if 17 Job Service stations like ours in Lewistown are to stay open with the present cuts being proposed by the administration and acted upon by Congress. Rural communities become very dependent on this service because they don't have private employment agencies. The incomes of the people are often lower and don't attract private agencies.

SB 210 would continue the service of these agencies by utilizing a small portion (.2%) of the unemployment insurance tax for administrative costs as well as benefits. The bill would dedicate .2% of the state unemployment tax for administrative purposes. Any monies not used would revert to a trust fund to be used solely for benefits kept in Montana.

The Appropriations Committee in the House has already put the spending authority in, that federal monies will be used first. This .2% dedicated money would be used to keep Job Service stations going when federal monies are not available. When our benefit monies are down, unemployment is at its highest - low income people hurt the worst and the ~~most affected~~ areas (rural areas) are the first to have their Job Service stations cut.

There is a trade-off between benefits paid and job placement made by a local office.

Example: Lewistown is 100 miles to Great Falls - 120 miles to Billings - Result - reduced placement of individuals drawing unemployment insurance benefits, - thus more payout in unemployment - which can result in employers paying more into unemployment. If Job Service could get each one of the 42,000 claimants on the job one week earlier, they they would get back themselves; it would save the state $4 Million in benefits paid out.

If the Job Service is taken out of a community it will have a direct economical impact in that community, and when these people do drive to Billings or Great Falls - they'll spend more of their money there.

There will be an increased cost to the employers to find an employee. He will have to seek out who wants a job, their experience and abilities.

Unemployment insurance will be much more open to fraud because of being done by mail and less face to face contact. There is less knowledge of the claimants ability to work - or efforts to get work - thus allowing more freeloading that would normally be disqualified to draw benefits.

	Individual Placements (1)	Placement Transactions (1) (Some persons more than 1 job)	Total ES Grants Expenditures (3)	Cost Per Individual Placement (W/overhead)	Cost Per Placement Transaction
FFY '78	34,055	53,517	$3,864,300	$113.47	$72.21
'79	36,553	58,397	$4,108,000	$112.38	$70.35
'80	31,689	47,873	$4,191,600	$132.27	$87.56
'81	30,557	49,253	$4,918,800	$160.97	$99.87
'82	28,845	41,372	$4,547,900	$157.67	$88.53

Source-Date
(1) Report 22B and Job Service Program Budget and Planning Documents
(2) Report 95 for September of each FFY
(3) Report 61 for September of each FFY

Exhibit 2, Submitted by Dave Hunter
February 1, 1983

DEPARTMENT OF LABOR AND INDUSTRY

COMMISSIONER'S OFFICE

TED SCHWINDEN, GOVERNOR — STATE CAPITOL

STATE OF MONTANA

(406) 449-3661 — January 5, 1983 — HELENA, MONTANA 59620

Job Service Administrative Funding Proposal

Job Service funding will be cut significantly if the Reagan Administration budgets are adopted. Montana would be forced to close 17 of 24 offices. The 1983 Montana Legislature needs to decide if Montana wants to find state funding to continue to provide services or whether we are prepared to walk away from service in all but seven communities in the state.

The Department's proposal is to continue service by utilizing the unemployment insurance tax for administrative costs as well as benefits. The proposal would dedicate 0.2 percent of the state unemployment insurance tax for administrative purposes as appropriated by the Legislature. (In 1982 the average tax is 2.7 percent on the first $8,000 of taxable wages.) Any money not appropriated for administrative purposes would be reverted to the Trust Fund to be used solely for benefits. These funds would be held and invested in Montana rather than being deposited with the Treasury.

Based on 1982 figures of a taxable wage base of $8,000 this proposal would generate four million dollars in revenue, a tax increase of $16 per year per employee. As the taxable wage base increases, the total tax paid by each employer would increase, however, the rate of 0.2 percent would remain constant. If federal funding meets or exceeds the level appropriated by the Legislature, then none of the monies would be used for administrative purposes and the total amount would revert to the Trust Fund for payment of benefits. The net increase in taxes to employers will be the difference between the amount appropriated by the Legislature and the dollars provided to the State of Montana by the federal government.

Why Retain Job Service

There is a trade-off between benefits paid and job placements made by a local office. If the State of Montana is forced to close Job Service offices, the reduced placements of individuals who are drawing unemployment insurance benefits will increase the average number of weeks that unemployment claimants draw benefits. If the Job Service offices did nothing more than to get each one of the 42,000 claimants in this state a job one week earlier than they would have gotten by themselves more than $4 million in benefits will be saved. Benefits paid have a direct tax impact on employers.

The choice the Legislature has to make is a trade-off; how much should be spent for benefits versus how much should be spent for administration. At current level staffing use of trust fund monies for administration will reduce the net overall expenditure because of the savings in benefit dollars.

If unemployment insurance claimants have to drive to the seven largest cities to file their initial claim, those individuals are going to spend more of their money for groceries, gasoline, etc. in those communities rather than the communities in which they reside. That will have a direct economic impact on main street businesses in the 17 communities where offices would be closed.

The closing of Job Service offices will eliminate the ability to provide a job placement service for employers. There will be an increased cost to employers who will have to deal directly with job applicants, and to do their own screening and testing because that service will not be available from the local office.

Unemployment insurance will become a "mail order operation," much more open to fraud. As the number of offices and staff dwindles, the ability to determine whether a claimant is in fact able, available and seeking work will decline proportionately. In fact, in rural areas there will be almost no enforcement ability, allowing freeloaders that would be otherwise disqualified to draw benefits.

Budget Figures

	FFY 81	FFY 82	FFY 83	FFY 84	FFY 85(Oct. 1, 1984)
Job Service Staff	182	155	140	90	40
Unemployment Staff (in local offices)	55	55	56	56	56
	237	210	196	146	96

Office	CURRENT STAFFING(FFY 83) Job Service	Unemployment Insurance	Other Programs	Total	FFY 81 Staff Total
* Billings	25.84	7.8	15.88	49.52	69.01
Bozeman	8.72	2.8	2.08	13.6	15.97
* Butte	7.98	3.8	10	21.78	30.38
* Great Falls	12.97	5.8	13.4	32.17	45.47
* Helena	11.13	3.3	10.5	24.93	34.74
* Kalispell	7.99	5.75	9.85	23.59	32.46
* Missoula	10.18	8.2	14.47	32.85	46.73
Sub Totals	84.81	37.45	76.18	198.44	274.76
Anaconda	2.97	2.1	2.24	7.31	5.62
Cut Bank	1.62	1.00	1.06	3.68	6.65
Dillon	1.97	.5	.38	2.85	3.26
Glasgow	2.4	.6	.8	3.8	4.82
* Glendive	4.08	.4	.4	4.88	4.56
Hamilton	2.00	2.00	1.33	5.33	8.38
* Havre	3.76	1.3	1.52	6.58	7.56
Lewistown	3.10	.75	.91	4.76	5.26
Libby	1.42	2.90	1.68	6.	8.17
Livingston	2.88	1.1	.66	4.64	5.23
* Miles City	4.04	1.2	1.36	6.6	8.30
Polson	2.48	1.2	1.41	5.09	6.5
* Shelby	1.67	.5	.67	2.84	4.96
Sidney	4.07	.4	.39	4.86	4.75
Thompson Falls	.89	1.1	.64	2.63	3.04
Wolf Point	.54	.5	.8	1.84	3.14
Sub Totals	39.89	17.55	16.25	73.69	90.02
Central Office	15.3	1	23.66	39.96	103.01
TOTALS	140	56	116.09	312.09	467.97

* Building owned by State.

Placement Activity

	Individual Placements	Placement Transactions	Total ES Grants Expenditures	Cost Per Individual Placement	Cost Per Placement Transaction
78	34,055	53,517	$3,864,300	$113.47	$72.21
79	36,553	58,397	$4,108,000	$112.38	$70.35
80	31,689	47,873	$4,191,600	$132.27	$87.56
81	30,557	49,253	$4,918,800	$160.97	$99.87
82	28,845	51,372	$4,547,900	$157.67	$88.53

Cost Summary For Proposed Legislation

			Affect On Trust Fund	
1	Description	Cost/Savings	FY 84	FY 85
10	.2% Administrative Funding	Cost	(1,469,962)	(3,071,042)
13	Round Down Payments	Savings	287,606	195,400
15	Waiting Weeks Between Years	Savings	448,500	450,000
73	Minimum Qualifying Wage	Savings	710,045	1,122,418
		NET	(23,811)	(1,303,224)

/83

Exhibit 3
Submitted by Eugene Fenderson
February 1, 1983

Laborers' International Union of North America, AFL-CIO

Local No. 254

P. O. BOX 702
110 N. WARREN
HELENA, MT 59624
(406) 442-1441

Testimony of Eugene Fenderson on Senate Bill 210, Hearings before the Senate Labor and Employment Relations Committee, February 1, 1983

I am Eugene Fenderson, business manager for Laborers Local 254, Helena. I am here to testify in favor of Senate Bill 210. Senate Bill 210 allocates funding from employer contributions to retain our current number of Job Service offices. Those 24 offices could be slashed to seven without legislative funding, because of federal cutbacks.

Keeping those Job Service offices open is crucial for the unemployed workers in our state. There are over 37,000 jobless now, with projections that this number could go over 50,000 in the next few months. And, there is no end in sight. United States Treasury Secretary Donald Regan predicts that the jobless rate nationally will average 10.7 percent this year and remain at over 10 percent for several months into 1984. It is clear that even Reagan Administration officials realize that the terrible problems of high unemployment will not disappear in the near future.

A statewide network of Job Service offices is absolutely necessary to assist unemployed workers and to allow them to file unemployment insurance claims without undue hardship. Closing 17 offices will make finding work almost impossible for workers in smaller Montana communities and force them to travel long distances to file a claim.

Please help unemployed Montana workers get back to work by voting in favor of Senate Bill 210.

Thank you.

Exhibit 4
Submitted by Jim Murry
February 1, 1983

MONTANA STATE AFL-CIO
APRIL 29 1956

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406 442-1708

TESTIMONY OF JIM MURRY ON SENATE BILL 210, BEFORE THE SENATE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, FEBRUARY 1, 1983

I am Jim Murry, executive secretary of the Montana State AFL-CIO. I am here to speak in strong support of Senate Bill 210. This bill provides for funding to keep Montana's Job Service offices open, by allocating a small portion of existing unemployment insurance taxes.

Because of Reagan Administration cutbacks in funding, Montana could lose 17 of its 24 Job Service offices, without the passage of this bill. This shortsighted attempt to save money by closing Job Service offices when unemployment is at its highest level since the depression is a nonsensical approach to our nation's problems. With over 37,000 Montanans unemployed, jobless workers desperately need the help of Job Service offices in obtaining employment. No matter how hard they tried, the staff in seven offices could not begin to operate as effectively and efficiently as 24 offices do. Without adequate Job Service assistance in finding employment, jobless workers will suffer even more financial burdens. And, those workers who might have been ~~able~~ unable to find a job, with Job Service help, will continue to draw unemployment insurance benefits, thus further reducing the unemployment insurance trust fund.

If only seven offices remained open, many workers would have to drive long distances to file for unemployment insurance benefits at a time when they can least afford to do so. Workers in places like Shelby or Cut Bank might have to drive as far as Great Falls to file their claims. And, they would have little or no opportunity to obtain help in getting a job.

In addition, it is entirely possible that unemployed workers might decide to shop in the larger community, since they had traveled so far already. That means an additional financial drain on the main street merchants in

the smaller communities.

Montana Job Service offices are performing an essential public service. Recently, the Montana Job Service Agency received an official commendation from the U.S. Department of Labor for its high national ranking in finding jobs for job applicants in Fiscal Year 1982. Montana ranked second in the nation in job placement transactions, and sixth in the nation in individuals placed in jobs per staff member. In Montana, there were 419 job placements per staff member, compared with the national average of 240. This is an outstanding record, and it can only be continued through adequate funding for Job Service offices.

Recognizing the importance of keeping Job Service offices open in our state, the Montana State AFL-CIO went on record at its 1982 annual convention with a resolution supporting the legislative funding necessary to maintain adequate service for Montana's unemployed.

The Montana State AFL-CIO urges your support for Senate Bill 210.

MINUTES OF THE MEETING
LABOR & EMPLOYMENT RELATIONS COMMITTEE
MONTANA STATE SENATE

February 1, 1983

The meeting of the Labor Committee was called to order by Chairman Gary C. Aklestad on February 1, 1983, at 1:00 p.m. in Room 404, State Capitol.

ROLL CALL: All members of the Committee were present.

CONSIDERATION OF SENATE BILL NO. 210:

Chairman Aklestad introduced Senator Harold Dover, sponsor of Senate Bill No. 210, to the Committee, and Senator Dover explained the bill to the Committee. Senator Dover's printed testimony is attached. (Exhibit No. 1)

Senate Bill No. 210 is an act authorizing the Unemployment Insurance Division to use a portion of contributions from employers for certain administrative purposes.

PROPONENTS OF SENATE BILL NO. 210:

Dave Hunter, representing the Department of Labor, stated they are in support of Senate Bill No. 210.

Mr. Hunter distributed a Job Service Administrative Funding Proposal to the Committee. This proposal is attached. (Exhibit No. 2)

Mr. Hunter stated that there has been some suggestion that private agencies could take over the job of Job Service. However, he stated that the Job Service placed 30,000 in 1982; whereas, the private agencies placed only 700 in 1982.

Mr. Hunter told the Committee there would be an increased cost if they do not have a Job Service Office for the administration of such programs as Food Stamps, Welfare, etc.

Job Service also helps keep the unemployment insurance honest, and integrity in the system is critical.

James Hughes, representing Mountain Bell, stated they are in support of Senate Bill No. 210. They find Job Service to be a very valuable service in the state. It doesn't put undue strain on other segments of the state.

Eugene Fenderson, representing the Laborers' Local 254, stated they are in support of Senate Bill 210. Mr. Fenderson's printed testimony is attached. (Exhibit No. 3)

United Brotherhood of Carpenters and Joiners of America

Exhibit 5
Submitted by Howard Rosenleaf
February 1, 1983

[Original letterhead had union "Bug"]

ANACONDA, MONT., February 1, 19 83

SENATE BILL 210
SENATE COMMITTEE ON LABOR AND EMPLOYMENT RELATIONS
FEBRUARY 1, 1983

I am Howard Rosenleaf, business manager for Carpenters Local 88, Anaconda. Our union supports Senate Bill 210, which will allow state funding to keep Job Service Offices open throughout Montana. Without that funding, federal cutbacks will shut down 17 of the state's 24 Job Service Offices.

Job Service Offices provide a vital function for the state's unemployed workers, by processing unemployment insurance claims and providing assistance in finding another job. It doesn't make sense to shut down offices when they are more needed now than ever. Our unemployment is at the highest level since the days of the Great Depression. That increase in unemployment means jobless workers need more help, not less. Job Service helps workers find jobs more quickly than they could on their own, and that means they are drawing unemployment insurance for a shorter period of time. That helps the worker and it helps the unemployment insurance trust fund, too.

If only seven Job Service Offices were operating, they would be in the major population centers of the state. That would cause real problems for the unemployed in smaller towns. They would have to drive a long ways just to file a claim, and their chances for job placement assistance would be just about zero.

Please help Montana's unemployed by voting for Senate Bill 210 to keep our Job Service Offices open. Thank you.

Exhibit 6
Submitted by Jerry Overmier
February 1, 1983

TESTIMONY

SENATE BILL 210

Mr. Chairman, my name is Jerry Overmier.

I am the Assistant Vice President and Personnel Officer for the First Bank in Helena and we use Job Service for all our hiring. We have also used their training programs regularly. I hold the office of State Vice Chairperson of the employer group, J.S.I.P., and I have traveled to the rural communities and talked with the employers.

I am here to testify today, however, primarily as the management member of the Board of Labor Appeals. As you probably know, the Board of Labor Appeals hears appeals of Unemployment Insurance claims from both workers and employers.

I support this bill and the Department's efforts to keep rural Job Service offices open because:

1) There would be more appeals if the local offices were not there to help ensure fairness to employers and claimants.
2) The Trust Fund would be even less solvent because more weeks of benefits would be collected if the offices were not there to help with job placement. The Law states that to be eligible for unemployment benefits the claimant must be able, available and seeking work.
3) The system would be less honest if we did not have these people to work with the claimants and employers and reassure them that the system is fair.
4) The Federal FUTA tax from employers pays 97% of the Administrative costs to run Job Service and if the offices were closed, it could mean taxation without representation.

Exhibit 7, Submitted by Celinda C. Lake

WOMEN'S LOBBYIST FUND

February 1, 1983

TESTIMONY OF CELINDA C. LAKE, WOMEN'S LOBBYIST FUND, ON FEBRUARY 1, 1983, IN SUPPORT OF SB 210 TO PROVIDE FOR A PORTION OF THE EMPLOYER CONTRIBUTIONS TO BE USED FOR ADMINISTRATIVE PURPOSES WHICH WOULD PROVIDE ADDITIONAL FUNDING FOR JOB SERVICES

We support SB 210 which would authorize the unemployment insurance division to use a portion of contributions from employers for certain administrative purposes which could be used to fund the Job Service Offices in Montana. The cuts in federal funding for Job Service offices could close as many as 17 offices in Montana, which could include all of the offices located in rural Montana. This would be a tremendous hardship on all Montanans coming at a time of economic down turn when employment services are needed more than ever. It has some particularly adverse effects on women in Montana.

To begin with, individuals would have to travel long distances -- as much as 200 miles -- to apply for unemployment and to use the the Job Service placement. A particularly high proportion of the women who use Job Service Offices are single parents and/or working at the lowest paying jobs. The cost of such repeated travel would be prohibitive for these women. Family responsibilities in general for women would make it difficult for them to travel to and from these offices -- for example, as much as an eight hour drive in eastern Montana.

Often times women have shorter work histories than men or obtain an initial job after having been out of the paid labor force for a significant period of time. That means they often need more information about how to obtain and apply for jobs. Job Service Offices have provided that assistance. They have also acted as a resource to get people into training programs -- again a service important to women who may have been out of the job market for a time and who often start at the lowest paying jobs. Finally, Job Service Offices have often been de facto active proponents of affirmative action in hiring through their own interviewing and placement procedures.

Because Montana's women have needed the services offered by Job Service Offices in ever increasing numbers and because they often have particularly high need for the unique array of services offered by these offices, we would urge this committee to pass SB 210 which would make an important contribution toward keeping our Job Service Offices open despite federal cuts in support.

Kathy A. van Hook, President; Sib Clack, Vice President; Connie Flaherty Eschenbacher, Treasurer; Celinda C. Lake, Lobbyist; Stacy A. Flaherty, Lobbyist

Exhibit 8, Submitted by Harold Kansier
February 1, 1983

6301 MONTANA U.I. MANAGEMENT REPORT RUN DATE 01/25/83

SUMMARY OF CLAIMS REPORTED BY LOCAL OFFICES - U.I.

REPORT PERIOD 1/17/83 - 1/22/83

LOCAL OFFICE	U.I. INITIAL INTRASTATE NEW	U.I. INITIAL INTRASTATE TRANS	U.I. INITIAL INTRASTATE ADD'L	U.I. INITIAL INTER IB-1	U.I. CONTINUED INTRA CONT	U.I. CONTINUED INTER IB-2	U.C.F.E. NEW	U.C.F.E. TRANS	U.C.F.E. CONT	U.C.X. NEW	U.C.X. TRANS	U.C.X. CONT	TOTAL CLAIMS THIS WEEK	TOTAL CLAIMS LAST WEEK	CHANGE FROM LAST WEEK	THIS WEEK YEAR AGO
KALISPELL	109	10	34	29	1175	270	15	1	91	2	0	16	1752	1797	-45	2315
LIBBY	57	7	17	12	370	148	11	1	59	2	0	13	697	708	-11	767
POLSON	22	5	3	6	277	83	0	0	17	2	0	2	417	458	-41	455
CUT BANK	33	0	7	1	182	17	4	1	28	0	0	0	273	301	-28	339
SHELBY	8	2	7	0	155	7	0	0	0	0	0	4	183	172	+11	210
THOMPSON FALLS	14	3	2	3	275	54	1	0	37	0	0	2	391	411	-20	421
MISSOULA	183	47	37	48	1701	320	21	0	105	0	0	11	2473	2319	+154	2370
HAMILTON	16	13	11	13	397	151	3	2	43	0	0	4	653	726	-73	766
GREAT FALLS	118	15	41	18	1395	201	3	0	17	2	0	27	1837	1942	-105	1626
HAVRE	62	15	8	1	399	20	2	1	5	0	0	1	514	454	+60	444
LEWISTOWN	37	18	5	10	337	40	2	0	6	0	0	3	458	427	+31	356
GLASGOW	13	8	8	3	266	22	0	0	5	0	0	0	325	319	+6	270
WOLF POINT	21	2	7	3	186	31	0	0	6	1	0	4	261	289	-28	198
SUB TOTAL	693	145	187	147	7115	1364	62	6	419	9	0	87	10234*	10323	-89	10560
HELENA	147	16	28	16	1076	145	4	0	25	1	0	13	1471	1466	+5	1338
BUTTE	127	18	19	10	801	100	3	0	9	1	0	8	1036	1134	-98	1211
ANACONDA	47	7	13	9	427	53	0	0	0	0	0	7	563	565	-2	585
DILLON	16	9	1	0	194	30	1	1	8	0	0	0	260	255	+5	230
BOZEMAN	78	19	28	12	875	153	12	0	46	1	0	6	1230	1368	-138	973
LIVINGSTON	13	5	4	8	262	80	8	0	63	0	0	2	445	472	-27	330
BILLINGS E.	180	35	47	36	1595	219	4	0	15	1	0	12	2145	2234	-89	1416
BILLINGS W.	69	15	50	10	831	105	0	0	10	1	0	3	1094	1080	+14	869
MILES CITY	30	4	11	10	515	88	2	0	8	0	0	1	675	692	-17	432
GLENDIVE	30	6	18	8	377	23	0	0	0	0	0	2	464	440	+24	146
SIDNEY	38	2	23	9	384	79	0	0	2	0	0	1	538	484	+54	157
SUB TOTAL	781	130	242	128	7337	1075	34	1	187	5	0	55	9981*	10250	-269	7762
GRAND TOTAL	1474	281	429	275	14452	2439	96	7	606	14	0	142	20215**	XXXXX	358	18322
LAST WEEK TOTAL	1801	294	505	276	14372	2423	155	19	588	15	0	125	XXXXX	20573	XXXXX	XXXXX
THIS WEEK IBL				210		332	0		0	0		0				
LAST WEEK IBL				220		1131	0		0	0		0				

9301 MONTANA U.I. MANAGEMENT REPORT RUN DATE 01/25/83

SUMMARY OF CLAIMS REPORTED BY LOCAL OFFICES - F.S.O.

REPORT PERIOD 1/17/83 - 1/22/83

LOCAL OFFICE	U.I. INITIAL INTRASTATE NEW	INTRASTATE TRANS	INTRASTATE ADD'L	INTER I9-1	U.I. CONTINUED INTRA CONT	CONTINUED INTER I8-2	U.C.F.E. NEW	U.C.F.E. TRAND	U.C.F.E. CONT	U.C.X. NEW	U.C.X. TRANS	U.C.X. CONT	TOTAL CLAIMS THIS WEEK	TOTAL CLAIMS LAST WEEK	CHANGE FROM LAST WEEK	THIS WEEK YEAR AGO
KALISPELL	44	0	9	12	390	77	0	0	12	0	0	0	544	385	+159	0
LIBBY	14	0	2	3	158	24	0	0	8	0	0	0	209	109	+100	0
POLSON	8	0	0	3	110	16	0	0	0	0	0	0	137	67	+70	0
CUT BANK	6	0	2	0	104	6	1	0	6	0	0	0	125	72	+53	0
SHELBY	4	0	4	0	31	1	0	0	0	0	0	0	40	31	+9	0
THOMPSON FALLS	10	0	2	6	116	18	0	0	2	0	0	0	154	100	+54	0
MISSOULA	55	0	6	15	449	68	0	0	4	0	0	0	597	429	+168	0
HAMILTON	15	0	3	1	146	42	0	0	8	0	0	0	215	154	+61	0
GREAT FALLS	42	0	3	8	442	44	0	0	5	0	0	3	547	369	+178	0
HAVRE	6	0	2	1	141	8	0	0	1	0	0	0	159	115	+44	0
LEWISTOWN	10	0	4	0	58	14	0	0	2	0	0	0	88	58	+30	0
GLASGOW	6	0	0	1	83	11	0	0	1	0	0	0	102	65	+37	0
WOLF POINT	5	0	1	0	51	1	0	0	7	0	0	1	66	49	+17	0
SUB TOTAL	225	0	38	50	2279	330	1	0	56	0	0	4	2983*	2003	+980	0
HELENA	23	0	4	9	314	49	0	0	1	0	0	0	400	312	+88	0
BUTTE	28	0	0	6	581	0	0	0	3	0	0	1	619	275	+344	0
ANACONDA	10	0	2	6	228	16	0	0	1	0	0	0	263	140	+123	0
DILLON	5	0	0	2	35	3	0	0	0	0	0	0	45	44	+1	0
BOZEMAN	12	0	1	7	111	19	0	0	1	0	0	0	151	149	+2	0
LIVINGSTON	9	0	0	2	81	12	0	0	1	0	0	0	105	75	+30	0
BILLINGS E.	69	0	3	1	343	24	0	0	7	0	0	1	448	533	-85	0
BILLINGS W.	19	0	7	1	167	20	0	0	1	0	0	0	215	176	+39	0
MILES CITY	12	0	0	5	69	16	0	0	1	0	0	0	103	83	+20	0
GLENDIVE	11	0	1	2	45	0	0	0	0	0	0	0	59	47	+12	0
SIDNEY	1	0	0	0	45	5	0	0	0	0	0	0	51	44	+7	0
SUB TOTAL	199	0	18	41	2019	164	0	0	16	0	0	2	2459*	1878	+581	0
GRAND TOTAL	424	0	56	91	4298	494	1	0	72	0	0	6	5442**	XXXXX	+1561	0
LAST WEEK TOTAL	388	2	69	85	2852	415	1	0	64	0	0	5	XXXXX	3881	XXXXX	XXXXX
THIS WEEK IBL				32		239	0		0	0		0				
LAST WEEK IBL				35		331	0		0	0		0				

Senator Lynch asked if there was any particular reason for the absence of the Montana Contractors Association at the hearing. He felt their absence was conspicuous.

Senator Goodover suggested we might try this for two years and see what happens. We do not know how it will affect anything. The counties say it will help. Big contractors aren't going to be involved.

Senator Aklestad feels if the committee thinks the bill is good we should make it effective May 1st instead of July 1st so it will begin in the spring.

Senator Galt moved that page 4, line 15 be amended to May instead of July. A Roll Call Vote was taken. It passed with a vote of 5-3.

A Roll Call Vote was taken on Senator Lynch's motion that SB 152 Do Not Pass. The motion failed with a vote of 5-3. Therefore, the bill went out Do Pass As Amended, reversing the original motion.

ACTION ON SENATE BILL NO. 210: Senator Aklestad said the .2% permits the use of funds for administration and every .1% raises the fund $4 million.

Mr. Hunter said .2% raises the funds $4 million per year.

Senator Aklestad said he had gotten letters stating they only want enough to keep the job service open. Four million dollars will do this and keep the current level of employees 5 days a week. We should consider reducing that to .1% and have only the money that is actually needed to keep the job services open.

Senator Keating said this bill permits the Department to use benefit money for administrative purposes. This doesn't raise or lower the rates, another bill that is going through the process will raise the rate of the employer. This merely permits the Department to use a portion of the benefit fund for administrative purposes and if amended to .1% should be enough to keep the job services open. The balance of the fund will remain in the benefit fund.

Senator Lynch said in other words if I were an employer my rates wouldn't go up.

Senator Aklestad said your rate will not go up but when the fund drops down then your rates will automatically go up.

Mr. Hunter said the rate is declared each year on January 1. There will be no tax rate increase now but it will have that effect in the long run.

Senator Lynch said you are cutting the pay to the employer one half of what was originally intended.

Senator Aklestad said we are leaving more money in the fund.

Senator Blaylock asked Mr. Hunter if we do amend this bill will that leave enough money.

Mr. Hunter said for 1984 it would be enough but not enough in 1985. He thinks .1% would be enough this biennium as long as we keep it biennium instead of fiscal year.

Senator Gage does not think the Department is going to use any more of those funds for administration whether it is .1% or .2%.

Senator Keating made a motion that SB 210 be amended on page 1, line 12, to strike .2% and insert .1%. The motion passed with a vote of 7-1, Senator Lynch opposed the motion.

Senator Aklestad asked Mr. Hunter to explain the problem on page 1, line 13 of .1%.

Mr. Hunter would suggest for consistency to have the bill amended to .05% on line 13.

Senator Keating made a motion that line 13 be amended to .05%. The motion passed with a vote of 6-1, Senator Lynch opposed the motion and Senator Goodover was excused from the meeting shortly before the vote.

Senator Keating made a motion that SB 210 Do Pass as Amended. The motion passed unanimously.

ACTION ON SENATE BILL NO. 215: Senator Keating moved that SB 215 Do Pass. He said there would be a one week delay in benefits. He realizes that the money will be missed for that one week but the time is not shortened. The person is still going to ultimately get the same amount of benefits. This one week exemption will save the state a considerable amount of money.

Mr. Hunter said, according to the fiscal note, $900,000 will be saved over the course of the biennium. We would have saved $562,000 in 1982 had SB 215 been in effect.

Senator Keating said it is a hardship to go without money for a week. If we know the week is coming and we budget for it, we can get through it rather than take money from the fund in order to get some of our money back from the Feds.

Mr. Hunter said he did not think he explained the bill as well as he could have. People who have to wait that additional waiting

STANDING COMMITTEE REPORT

February 10, 19 83

MR. PRESIDENT

We, your committee on LABOR AND EMPLOYMENT RELATIONS

having had under consideration SENATE Bill No. 210

Respectfully report as follows: That SENATE Bill No. 210

introduced bill be amended as follows:

1. Page 1, line 12
Following: "1983,"
Strike: ".2%"
Insert: ".1%"

2. Page 1, line 13
Following: "and"
Strike: ".1%"
Insert: ".05%"

And, as so amended

DO PASS

GARY C. AKLESTAD, Chairman.

STATE PUB. CO.
Helena, Mont.

HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE MINUTES
March 8, 1983

The House Labor and Employment Relations Committee convened at 12:30 p.m. on March 8, 1983, in Room 224K of the State Capitol, with Chairman J. Melvin Williams presiding and all members present. Chairman Williams opened the meeting to a hearing on HB 899.

HOUSE BILL 899

REPRESENTATIVE KELLY ADDY, District 62, said the bill was late getting drafted as the problem didn't surface until recently. He said the Ninth Court of Appeals held that the way the Board of Personnel Appeals is constituted is unconstitutional. The bill amends the law to say members of each side must have some bargaining experience. He had a suggested amendment which would strike "no such" on line 5, page 2, and insert "general labor-management."

DAVID HUNTER, Commissioner of Labor and Industry Department, apologized for the bill getting in late. He said he didn't see the summary of the decision until February 22. He said all the members will remain as they are under this bill. He said the bill makes the law consistent with the federal court standards and will solve the problem.

REPRESENTATIVE ADDY closed.

There were no questions from the committee so Chairman Williams closed the hearing on this bill and opened the hearing on SB 210.

SENATE BILL 210

SENATOR HAROLD DOVER, District 24, chief sponsor, said this is one of four bills that make up a package. He said all the bills give a little and take a little. He said the purpose of the bills is to keep job service stations open in the rural areas. He said noone likes to see cuts in their own program but we need to keep in mind the purpose of the unemployment program. It is to help those attached to the permanent labor program. These bills, he said, will utilize our state dollars to the maximum to keep the unemployment program viable. Senator Dover spoke on Senate Bill 210 and a copy of his testimony on this bill is Exhibit 1 of the minutes.

DAVID HUNTER, Commissioner of Labor and Industry, said they need this bill because of the way the federal statutes are written. He said they cannot use the unemployment trust fund for administrative purposes. A handout by Mr. Hunter is Exhibit 2.

JIM HUGHES, Mountain Bell Telephone, said they support the bill. He said it is appropriate to keep these vital functions alive. He said he would like to stress the importance of supporting the other three bills in the package, also.

JERRY OVERMIER, Assistant Vice President of the First Bank, Helena, spoke for the bill and a copy of his testimony is Exhibit 3 of the minutes.

FORREST BOLES, Chamber of Commerce, spoke in support of the bill. He said he would be even more ready to support the bill if it were funded from other sources but he said they recognize the shortage. He said this is an important and unprecedented step as Montana trust funds are to be used for administrative uses. He questioned for how long this would be advisable, however

ROBERT M. HELDING, Wood Products Association, said they support the enactment of this bill.

DON JUDGE, Montana State AFL-CIO, spoke in support and a copy of his testimony is Exhibit 4 of the minutes.

CELINDA C. LAKE, Women's Lobbyist Fund, spoke in support and a copy of her testimony is Exhibit 5 of the minutes.

JOHN HOLLOW, Montana Homebuilders, spoke in support of the bills. He said the question brought up by Mr. Boles on the advisability of using the funds for this purpose very long bothered him. So, he said, while he did support the bill, he felt the question should be looked at again in the next couple of years. He didn't want it to get locked in so he questioned if it should have a sunset provision written in.

SENATOR DOVER closed. He said this bill is a compromise by the employers and he hoped the committee would keep that in mind.

Questions were asked by the committee.

Chairman Williams closed the hearing on this bill and opened the hearing on SB 213.

SENATE BILL 213

SENATOR HAROLD DOVER, District 24, chief sponsor, said this bill rounds unemployment compensation amounts to the nearest lower full dollar amount and removes the requirement that the Labor Department publish an annual unemployment compensation benefit schedule. A copy of his testimony is Exhibit 6 of the minutes.

VISITOR'S REGISTER

HOUSE LABOR AND EMP. REL. COMMITTEE

BILL SB 210 DATE 3/8/83

SPONSOR Senator Dover

NAME	RESIDENCE	REPRESENTING	SUPPORT	OPPOSE
Don Judge	Helena	MT STATE AFL-CIO	X	
Greg Allen	Helena	MT Retail Assn	X	
Jerry Driscoll	Helena	Board of Labor Appeals	X	
Harold Hanson	Helena	MT Dept Labor	X	
Jim Murphy	Helena	MT Bell	X	
J H Babcock	Helena	Montana Chamber	X	
Jerry Driscoll	Billings			
Bob Fielding	Missoula	MT. Wood Products	—	
Chas Smith	Helena	Workers Comp Div	✓	
Mike Mansfield	Butte	Int Bldg Trades	X	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR LONGER FORM.

WHEN TESTIFYING PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.

FORM CS-33

Exhibit 1

SENATOR HAROLD L. DOVER

SENATE BILL 210

By request of the Department of Labor and Industry

AN ACT AUTHORIZING THE UNEMPLOYMENT INSURANCE DIVISION TO USE A PORTION OF CONTRIBUTIONS FROM EMPLOYERS FOR CERTAIN ADMINISTRATIVE PURPOSES; AND PROVIDING AN EFFECTIVE DATE.

I am carrying Senate Bill 210 because it is very necessary if 17 Job Service stations like ours in Lewistown are to stay open with the present cuts being proposed by the administration and acted upon by Congress. Rural communities become very dependent on this service because they don't have private employment agencies. The incomes of the people are often lower and don't attract private agencies.

SB 210 would continue the service of these agencies by utilizing a small portion (.2%) of the unemployment insurance tax for administrative costs as well as benefits. The bill would dedicate .2% of the state unemployment tax for administrative purposes. Any monies not used would revert to a trust fund to be used solely for benefits kept in Montana.

The Appropriations Committee in the House has already put the spending authority in, that federal monies will be used first. This .2% dedicated money would be used to keep Job Service stations going when federal monies are not available. When our benefit monies are down, unemployment is at its highest - low income people hurt the worst and the most affected areas (rural areas) are the first to have their Job Service stations cut.

There is a trade-off between benefits paid and job placement made by a local office.

Example: Lewistown is 100 miles to Great Falls - 120 miles to Billings - Result - reduced placement of individuals drawing unemployment insurance benefits, - thus more payout in unemployment - which can result in employers paying more into unemployment. If Job Service could get each one of the 42,000 claimants on the job one week earlier, they they would get back themselves; it would save the state $4 Million in benefits paid out.

If the Job Service is taken out of a community it will have a direct economical impact in that community, and when these people do drive to Billings or Great Falls - they'll spend more of their money there.

There will be an increased cost to the employers to find an employee. He will have to seek out who wants a job, their experience and abilities.

Unemployment insurance will be much more open to fraud because of being done by mail and less fact to fact contact. There is less knowledge of the claimants ability to work - or efforts to get work - thus allowing more freeloading that would normally be disqualified to draw benefits.

	Individual Placements (1)	(Some persons more than 1 job) Placement Transactions (1)	(W/overhead) Total ES Grants Expenditures (3)	Cost Per Individual Placement	Cost Per Placement Transaction
FFY'78	34,055	53,517	$3,864,300	$113.47	$72.21
'79	36,553	58,397	$4,108,000	$112.38	$70.35
'80	31,689	47,873	$4,191,600	$132.27	$87.56
'81	30,557	49,253	$4,918,800	$160.97	$99.87
'82	28,845	41,372	$4,547,900	$157.67	$88.53

Source-Date
(1) Report 22B and Job Service Program Budget and Planning Documents
(2) Report 95 for September of each FFY
(3) Report 61 for September of each FFY

DEPARTMENT OF LABOR AND INDUSTRY
COMMISSIONER'S OFFICE

TED SCHWINDEN, GOVERNOR

STATE CAPITOL

STATE OF MONTANA

(406) 449-3661

HELENA, MONTANA 59620

January 5, 1983

Job Service Administrative Funding Proposal

Job Service funding will be cut significantly if the Reagan Administration budgets are adopted. Montana would be forced to close 17 of 24 offices. The 1983 Montana Legislature needs to decide if Montana wants to find state funding to continue to provide services or whether we are prepared to walk away from service in all but seven communities in the state.

The Department's proposal is to continue service by utilizing the unemployment insurance tax for administrative costs as well as benefits. The proposal would dedicate 0.2 percent of the state unemployment insurance tax for administrative purposes as appropriated by the Legislature. (In 1982 the average tax is 2.7 percent on the first $8,000 of taxable wages.) Any money not appropriated for administrative purposes would be reverted to the Trust Fund to be used solely for benefits. These funds would be held and invested in Montana rather than being deposited with the Treasury.

Based on 1982 figures of a taxable wage base of $8,000 this proposal would generate four million dollars in revenue, a tax increase of $16 per year per employee. As the taxable wage base increases, the total tax paid by each employer would increase, however, the rate of 0.2 percent would remain constant. If federal funding meets or exceeds the level appropriated by the Legislature, then none of the monies would be used for administrative purposes and the total amount would revert to the Trust Fund for payment of benefits. The net increase in taxes to employers will be the difference between the amount appropriated by the Legislature and the dollars provided to the State of Montana by the federal government.

Why Retain Job Service

There is a trade-off between benefits paid and job placements made by a local office. If the State of Montana is forced to close Job Service offices, the reduced placements of individuals who are drawing unemployment insurance benefits will increase the average number of weeks that unemployment claimants draw benefits. If the Job Service offices did nothing more than to get each one of the 42,000 claimants in this state a job one week earlier than they would have gotten by themselves more than $4 million in benefits will be saved. Benefits paid have a direct tax impact on employers.

The choice the Legislature has to make is a trade-off; how much should be spent for benefits versus how much should be spent for administration. At current level staffing use of trust fund monies for administration will reduce the net overall expenditure because of the savings in benefit dollars.

If unemployment insurance claimants have to drive to the seven largest cities to file their initial claim, those individuals are going to spend more of their money for groceries, gasoline, etc. in those communities rather than the communities in which they reside. That will have a direct economic impact on main street businesses in the 17 communities where offices would be closed.

The closing of Job Service offices will eliminate the ability to provide a job placement service for employers. There will be an increased cost to employers who will have to deal directly with job applicants, and to do their own screening and testing because that service will not be available from the local office.

Unemployment insurance will become a "mail order operation," much more open to fraud. As the number of offices and staff dwindles, the ability to determine whether a claimant is in fact able, available and seeking work will decline proportionately. In fact, in rural areas there will be almost no enforcement ability, allowing freeloaders that would be otherwise disqualified to draw benefits.

Budget Figures

	FFY 81	FFY 82	FFY 83	FFY 84	FFY 85(Oct. 1, 1984)
Job Service Staff	182	155	140	90	40
Unemployment Staff (in local offices)	55	55	56	56	56
	237	210	196	146	96

Office	CURRENT STAFFING(FFY 83) Job Service	Unemployment Insurance	Other Programs	Total	FFY 81 Staff Total
* Billings	25.84	7.8	15.88	49.52	69.01
Bozeman	8.72	2.8	2.08	13.6	15.97
* Butte	7.98	3.8	10	21.78	30.38
* Great Falls	12.97	5.8	13.4	32.17	45.47
* Helena	11.13	3.3	10.5	24.93	34.74
* Kalispell	7.99	5.75	9.85	23.59	32.46
* Missoula	10.18	8.2	14.47	32.85	46.73
Sub Totals	84.81	37.45	76.18	198.44	274.76
Anaconda	2.97	2.1	2.24	7.31	5.62
Cut Bank	1.62	1.00	1.06	3.68	6.65
Dillon	1.97	.5	.38	2.85	3.26
Glasgow	2.4	.6	.8	3.8	4.82
* Glendive	4.08	.4	.4	4.88	4.56
Hamilton	2.00	2.00	1.33	5.33	8.38
* Havre	3.76	1.3	1.52	6.58	7.56
Lewistown	3.10	.75	.91	4.76	5.26
Libby	1.42	2.90	1.68	6.	8.17
Livingston	2.88	1.1	.66	4.64	5.23
* Miles City	4.04	1.2	1.36	6.6	8.30
Polson	2.48	1.2	1.41	5.09	6.5
* Shelby	1.67	.5	.67	2.84	4.96
Sidney	4.07	.4	.39	4.86	4.75
Thompson Falls	.89	1.1	.64	2.63	3.04
Wolf Point	.54	.5	.8	1.84	3.14
Sub Totals	39.89	17.55	16.25	73.69	90.02
Central Office	15.3	1	23.66	39.96	103.01
TOTALS	140	56	116.09	312.09	467.97

* Building owned by State.

Placement Activity

	Individual Placements	Placement Transactions	Total ES Grants Expenditures	Cost Per Individual Placement	Cost Per Placement Transaction
FFY 78	34,055	53,517	$3,864,300	$113.47	$72.21
79	36,553	58,397	$4,108,000	$112.38	$70.35
80	31,689	47,873	$4,191,600	$132.27	$87.56
81	30,557	49,253	$4,918,800	$160.97	$99.87
82	28,845	51,372	$4,547,900	$157.67	$88.53

Cost Summary For Proposed Legislation

			Affect On Trust Fund	
Bill	Description	Cost/Savings	FY 84	FY 85
SB 210	.2% Administrative Funding	Cost	(1,469,962)	(3,071,042)
SB 213	Round Down Payments	Savings	287,606	195,400
SB 215	Waiting Weeks Between Years	Savings	448,500	450,000
SB 273	Minimum Qualifying Wage	Savings	710,045	1,122,418
	NET		(23,811)	(1,303,224)

1/31/83

TESTIMONY

Exhibit 3

SENATE BILL 210

Mr. Chairman, my name is Jerry Overmier.

I am the Assistant Vice President and Personnel Officer for the First Bank in Helena and we use Job Service for all our hiring. We have also used their training programs regularly. I hold the office of State Vice Chairperson of the employer group, J.S.I.P., and I have traveled to the rural communities and talked with the employers.

I am here to testify today, however, primarily as the management member of the Board of Labor Appeals. As you probably know, the Board of Labor Appeals hears appeals of Unemployment Insurance claims from both workers and employers.

I support this bill and the Department's efforts to keep rural Job Service offices open because:

1) There would be more appeals if the local offices were not there to help ensure fairness to employers and claimants.
2) The Trust Fund would be even less solvent because more weeks of benefits would be collected if the offices were not there to help with job placement. The Law states that to be eligible for unemployment benefits the claimant must be able, available and seeking work.
3) The system would be less honest if we did not have these people to work with the claimants and employers and reassure them that the system is fair.
4) The Federal FUTA tax from employers pays 97% of the Administrative costs to run Job Service and if the offices were closed, it could mean taxation without representation.

Exhibit 4

MONTANA STATE AFL-CIO
APRIL 29 1956

Box 1176, Helena, Montana

JAMES W. MURRY
EXECUTIVE SECRETARY

ZIP CODE 59624
406/442-1708

TESTIMONY OF DON JUDGE ON SENATE BILL 210, BEFORE THE HOUSE LABOR AND EMPLOYMENT RELATIONS COMMITTEE, MARCH 8, 1983

I am Don Judge, representing the Montana State AFL-CIO. I am here to speak in strong support of Senate Bill 210. This bill provides for funding to keep Montana's Job Service offices open, by allocating a small portion of existing unemployment insurance taxes.

Because of Reagan Administration cutbacks in funding, Montana could lose 17 of its 24 Job Service offices, without the passage of this bill. This shortsighted attempt to save money by closing Job Service offices when unemployment is at its highest level since the depression is a nonsensical approach to our nation's problems. With over 37,000 Montanans unemployed, jobless workers desperately need the help of Job Service offices in obtaining employment. No matter how hard they tried, the staff in seven offices could not begin to operate as effectively and efficiently as 24 offices do. Without adequate Job Service assistance in finding employment, jobless workers will suffer even more financial burdens. And, those workers who might have been able to find a job, with Job Service help, will continue to draw unemployment insurance benefits, thus further reducing the unemployment insurance trust fund.

If only seven offices remained open, many workers would have to drive long distances to file for unemployment insurance benefits at a time when they can least afford to do so. Workers in places like Shelby or Cut Bank might have to drive as far as Great Falls to file their claims. And, they would have little or no opportunity to obtain help in getting a job.

In addition, it is entirely possible that unemployed workers might decide to shop in the larger community, since they had traveled so far already. That means an additional financial drain on the main street merchants in the smaller communities.

Montana Job Service offices are performing an essential public service. Recently, the Montana Job Service Agency received an official commendation from the U.S. Department of Labor for its high national ranking in finding jobs for job applicants in Fiscal Year '82. Montana ranked second in the nation in job placement transactions, and sixth in the nation in individuals placed in jobs per staff member. In Montana, there were 419 job placements per staff member, compared with the national average of 240. This is an outstanding record, and it can only be continued

through adequate funding for Job Service offices.

Recognizing the importance of keeping Job Service offices open in our state, the Montana State AFL-CIO went on record at its 1982 annual convention with a resolution supporting the legislative funding necessary to maintain adequate service for Montana's unemployed.

The Montana State AFL-CIO urges your support for Senate Bill 210.

Exhibit 5

WOMEN'S LOBBYIST FUND

Box 1099
Helena, MT 59624
449-7917

TESTIMONY OF CELINDA C. LAKE, WOMEN'S LOBBYIST FUND, ON MARCH 8, 1983, IN SUPPORT OF SB 210 TO PROVIDE FOR A PORTION OF THE EMPLOYER CONTRIBUTIONS TO BE USED FOR ADMINISTRATIVE PURPOSES WHICH WOULD PROVIDE ADDITIONAL FUNDING FOR JOB SERVICES

We support SB 210 which would authorize the unemployment insurance division to use a portion of contributions from employers for certain administrative purposes which could be used to fund the Job Service Offices in Montana. The cuts in federal funding for Job Service offices could close as many as 17 offices in Montana, which could include all of the offices located in rural Montana. This would be a tremendous hardship on all Montanans coming at a time of economic down turn when employment servi are needed more than ever. It has some particularly adverse effects on women in Monta

To begin with, individuals would have to travel long distances -- as much as 200 miles -- to apply for unemployment and to use the the Job Service placement. A partic high proportion of the women who use Job Service Offices are single parents and/or working at the lowest paying jobs. The cost of such repeated travel would be prohibit for these women. Family responsibilities in general for women would make it difficult for them to travel to and from these offices -- for example, as much as an eight hour drive in eastern Montana.

Often times women have shorter work histories than men or obtain an initial jo after having been out of the paid labor force for a significant period of time. That means they often need more information about how to obtain and apply for jobs. Job Service Offices have provided that assistance. They have also acted as a resource to get people into training programs -- again a service important to women who may have been out of the job market for a time and who often start at the lowest paying jobs. Finally, Job Service Offices have often been de facto active proponents of affirmativ action in hiring through their own interviewing and placement procedures.

Because Montana's women have needed the services offered by Job Service Offices in ever increasing numbers and because they often have particularly high need for the unique array of services offered by these offices, we would urge this committee to pass SB 210 which would make an important contribution toward keeping our Job Service Offices open despite federal cuts in support.

Nancy Allan Hook
Co-Chair
Sib Clack
Vice President
Connie Flaherty-Erickson
Treasurer
Celinda C. Lake
Lobbyist
Stacy A. Flaher
Lobbyist

David Hunter, Dept. of Labor and Industry, was requested to respond. He said it would affect 2400 individuals which will need to wait an extra week to get their benefits. He said they don't lose any benefits. He said the federal people won't pay half of the first week of benefits if we don't have this statute. It would cost the state an extra half million.

Rep. Harper asked what the difference was in waiting for a week to get your check or losing a week at the end. You get the same amount of benefits.

The motion carried in a roll call vote with 8 voting yes, 6 voting no (Addy, Bachini, Driscoll, Farris, Harper, McCormick), and 3 absent (Dozier, Pavlovich and Seifert). Senate Bill 215 receives a BE CONCURRED IN recommendation.

SENATE BILL 210 Rep. Ellerd moved BE CONCURRED IN. The motion carried with Rep. Driscoll voting no and absent were Reps. Dozier, Seifert and Pavlovich.

Meeting adjourned at 1:35 p.m.

Respectfully submitted,

J. Melvin Williams

J. MELVIN WILLIAMS, CHAIRMAN

Emelia A. Satre, Sec.